

EXHIBIT A

Dalsen, William D.

From: Dale, Margaret A.
Sent: Friday, July 2, 2021 3:14 PM
To: Paslawsky, Alexandra; Atara Miller; Grant R. Mainland; John J. Hughes III; Jonathan Ohring
Cc: Mungovan, Timothy W.; Mervis, Michael T.; Possinger, Paul V.; Rappaport, Lary Alan; Dalsen, William D.; Stafford, Laura; Esses, Joshua; Roth, Joseph L.; mpocha@omm.com; Pavel, Ashley; Peter Friedman (pfriedman@omm.com); McKeen, Elizabeth L. (emkeen@omm.com); rholm@omm.com; Melissa Root; ccaracci@jenner.com; Catherine Steege; Pelanek, Laura E.; G. Alexander Bongartz; Luc A. Despins; nicholasbassett@paulhastings.com; Dale, Margaret A.
Subject: RE: PR - Pensions Meet & Confer

Counsel,

Thank you for the call on Tuesday to confer concerning “an appropriate schedule for litigation of the underlying issues concerning the quantification of pension-related claims” per the Court’s order (ECF No. 17140 in Case No. 17-bk-3283). We have considered Ambac’s position, and we believe any litigation regarding this topic should proceed on the track proposed by the Oversight Board in its schedule for confirmation and as part of the confirmation hearing, not as a separate evidentiary proceeding.

We also don’t think litigation concerning quantification of pension-related claims is relevant or necessary to confirmation: the Oversight Board only needs to establish the proposed plan of adjustment is consistent with the certified Commonwealth Fiscal Plan, and there is sufficient cash flow to carry out the plan of adjustment. Confirmation discovery is not a means to challenge the certified Fiscal Plan under PROMESA’s plain terms. We understand you want to show the plan of adjustment contemplates a greater amount of pension liabilities than will actually exist. Everyone predicting future pension claims based on mortality assumptions can arrive at different amounts. And no one knows how medical science will enable people to live far longer than today’s mortality assumptions presume. We do not believe PROMESA allows for second guessing the judgments inherent in the fiscal plan, nor do we think the judge should or would determine whether Ambac’s mortality assumptions are more likely correct than the Oversight Board’s or AAFAF’s assumptions. We also do not know what additional information Ambac needs given (1) the discovery Ambac has received to date in the Rule 2004 proceedings as well as the draft 2018 actuarial reports and project files that Milliman has recently produced, and (2) the Oversight Board has made clear it is not using the Retiree Committee claim amount but instead has created its own estimate of annual pension expenditures, and described the circumstances under which pension benefits would be impaired. This estimate is incorporated into the Commonwealth’s Fiscal Plan.

Without conceding any further discovery is warranted or relevant, the Oversight Board is in the process of gathering any additional underlying factual source materials relating to the Oversight Board's projections of pension expenditures, and intends to make that material available in the confirmation depository in accordance with the schedule to be determined by the Court following the hearing on July 13.

Let us know if you'd like to discuss this further.

Margaret

Margaret A. Dale

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-----Original Appointment-----

From: Paslawsky, Alexandra <APaslawsky@milbank.com>

Sent: Friday, June 25, 2021 1:52 PM

To: Paslawsky, Alexandra; Stafford, Laura; Bassett, Nicholas; Roth, Joseph L.; Dalsen, William D.; Pocha, Madhu; McKeen, Elizabeth L.; Holm, Richard; Pavel, Ashley; Dale, Margaret A.; Rappaport, Lary Alan; Melissa Root; Caracci, Catherine R.; Pelanek, Laura E.; 'Friedman, Peter'; Catherine Steege; Mervis, Michael T.; G. Alexander Bongartz; Atara Miller; Grant R. Mainland; John J. Hughes III; Jonathan Ohring; Possinger, Paul V.; Mungovan, Timothy W.; Luc A. Despins

Subject: PR - Pensions Meet & Confer

When: Tuesday, June 29, 2021 2:30 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).

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